

And I will just end on that point. I think that—you know, we hadn't had a surplus in 30 years, so we don't quite know what to do. And a lot of people have good ideas for it, and they are good ideas. There is always another good tax cut. There is always another good spending program. I don't think we ought to spend any of the surplus until we have secured Social Security for the 21st century. That's a big mistake for us not to do that. So that's what we're doing.

And what I would like to ask all of you to think about—just to step back a minute—I have tried to modernize our Democratic Party in this administration and to build an alliance for the 21st century that would make people think that we could be trusted to govern and get good results. But I have also tried to be faithful to the oldest obligations of citizens in this Republic. This is a time of great change. At every time of great change in our country's history, we have come through it stronger and better than ever before because the leaders of America and the people—most importantly the people—have accomplished three things. You go back and think about it—from the founding to the Civil War to the industrial revolution to the Depression to World War II through the cold war to the present day—at every time of challenge and change, three things have been done to make America stronger.

We have at every turn always widened the circle of opportunity, give more people a chance to pursue happiness. At every turn, we have always deepened the meaning of our freedom. Freedom, you could argue, had a very narrow meaning when we started out. It only fully applied to you if you were a white, male property owner. We have deepened the meaning of our freedom. And the third thing we've done is we've strengthened our Union against all the arguments that it was a bad thing for us to draw closer together as one nation. We have rejected them all and gone forward. Over 200 years later, it looks like we did the right thing at every time.

That's what we have a chance to do now. These are good times. It is not the time to sit around and pat ourselves on the back and think about how good times are. This is a time to prepare for a 21st century that will be America's greatest time if we spend these

days, when we have been given the luxury, the opportunity, and the responsibility to do so, preparing for that kind of tomorrow.

Thank you very much.

NOTE: The President spoke at 2:54 p.m. in the Harbour Court Hotel. In his remarks, he referred to Michael Bronfein, owner, Neighborcare Pharmacies.

Statement on Federal Law Enforcement Efforts in the Nevada Biological Materials Case

February 19, 1998

I have been briefed by the Attorney General on today's arrests in Nevada, and we will continue to monitor the situation. I cannot comment on the details of this ongoing law enforcement effort, but let me say this:

All Americans should be deeply grateful to the brave law enforcement officers, especially the agents of the FBI, for their excellent work in this case. It is important for the American people to understand that their law enforcement officials have this situation under control. All materials have been seized and are being analyzed to determine if they are in any way threatening.

Remarks at a Democratic National Committee Dinner in West Orange, New Jersey

February 19, 1998

Thank you very much. I'd like to begin by thanking David and Sylvia for welcoming us to their humble little home here. [*Laughter*] This is a beautiful place. It was worth the trip to see you and your family and your beautiful home and your art and to see you here with your friends. You didn't have to do this tonight, and we're very grateful to you.

I'd like to thank Senator Lautenberg and Congressman Pascrell for being here and for their support in the Congress for our agenda and our attempts to move this country forward. Thank you, Tom Giblin, for leading the Democratic Party in New Jersey. Thank you, Mayor McGreevey, for a wonderful race. I

was honored to be a small part of it, and there will be another one up the road.

I'd like to thank the leaders of our national party who are here: our chair, Steve Grossman; and Lenn Barrack from Philadelphia, who just took over as the national finance chair of the Democratic Party. I'm afraid that he's going to think that every day is going to be like the last 24 hours. We've had three wonderful encounters with people around the country. He thinks this is no heavy lifting. *[Laughter]*

You know, there are just a little over 650 days, 700 days maybe, to the 21st century. And I feel very good about where America is—David talked about a little of it. I feel very grateful to have had the chance to serve as President in these last 5 years. But I think that the most important thing I could say to you tonight is that it would be a real mistake for our country to be relaxed about where we are instead of to feel that this is an enormous opportunity for us to take care of the long-term needs of America and to basically shape a structure of opportunity and a structure of security for ourselves and our friends around the world that will last us well into the next century.

They used to say when I was a boy growing up in Arkansas that the time to fix the roof is not when it's raining. And so I would say, I think—I feel that I've spent the last 5 years trying to fix things in America so that the country would basically work again and so that people would have the confidence to believe that we really could be the masters of our own fate, that if we worked together and did the right things in the right way, we actually could move forward. And I don't think anyone questions that now.

So now what we should be doing is, instead of patting ourselves on the back for nearly now 15 million new jobs and the lowest unemployment rate and the lowest inflation rate in a generation, the lowest welfare rolls in a generation, lowest crime rate in a generation, we should be thinking about how we can use this moment to look to the future and to build it. And I think that is the most important thing I could say to you.

And I'd just like to mention three or four things. With regard to the economy, we've changed the image of the Democrats with

a bunch of tough votes, most importantly, the economic program in 1993, which reduced the deficit by over 90 percent before the balanced budget came in. Then we had a balanced budget bill last year, a lot of which was engineered by your Senator, Frank Lautenberg—you should be very proud of him for that—which not only will give us a balanced budget and a surplus in the next few years but will do so while giving us the biggest investment in children's health and education in a generation and literally opening the doors of college to all Americans who will work for it. That is a very, very important thing.

What still needs to be done? I would argue there are two or three very important things that still need to be done. Number one, we have to recognize that there are still a lot of Americans who have not been caught up in this economic prosperity. They are either unemployed or they're underemployed, largely because they have limited skills and they live in areas where there is no investment. I spent a lot of time trying to get Americans to invest in other parts of the world—a lot of you invested in various parts of the world. Now we need to bring this spark of enterprise to our isolated inner-city neighborhoods and to rural neighborhoods. And it's a great opportunity for us to continue to grow without inflation. And we have a program as a part of this year's budget to do that.

Secondly, we need to continue to fight against the impulse to withdraw from the rest of the world in terms of trade. I suppose it's the last remaining ideological battle within the Democratic Party about what kind of party we're going to be going into the future. There are people who lose when we expand trade, but that's going to happen whether we have new agreements or not. Most countries have trading systems that are more closed than ours. We have 4 percent of the world's people; we have 20 percent of the world's income. If we want to keep 20 percent of the world's income when the rest of the world, the developing world, is going to grow 3 times as fast as the developed world, we—the math is not difficult—we have to sell more to other people. And so I hope we can

continue to expand trade and really do more with it.

The third thing we have to do is to continue to work until we have the finest education system in the world. One reason Americans all over the country were thrilled—I could see it; I could feel it when I was giving the State of the Union Address and I was going through the list of things that the Congress has already done: the \$1,500 tax credit for the first 2 years of college; credits for the junior and senior year and for graduate school; bigger Pell grants; more work-study positions; cheaper loans that are easier to repay; IRA's for education. One reason everybody is so excited about that is that no one in America doubts that we have the finest system of higher education in the world, and that if you can access it, whether it's at a community college or an Ivy League school, whether it's undergraduate or graduate school, that you will not only be more fulfilled and be a better citizen, but you'll have a better life. No one questions that. By the same token, I don't think any of us can say with a straight face that we believe we have the best system of undergraduate education in the world—I mean, elementary and secondary education in the world. You know that it's not the best system in the world, and you know that the quality varies dramatically. That's why I've been working for national standards. That's why I've been working to connect every classroom in the country to the Internet by the year 2000. That's why we have a program now to lower class sizes in the first three grades to an average of 18 students. If we can pass this program, it will dramatically change the future of education.

All the educational research shows that children who come from difficult backgrounds who have a chance to get personal attention from teachers and to work with their fellow students because the classes are small enough in those early grades have a big leg up in the rest of their learning careers. So I think all of that is very, very important. And I hope you will support that. That's going to be a big part of what we're trying to do. We want to rehabilitate or build 5,000 more schools, and we have a program to do that.

So those are the things that I would like to work on in the economy: Give us a world-class system of elementary and secondary education; give us an economic system where free enterprise can reach the areas that have been left behind; and keep reaching out to the rest of the world—an economy based on opportunity.

What do we have to do with our society if we want it to be a truly responsible society where every citizen does his or her part and we work together? Let me just mention two or three things there. I think the most important thing we can do, more important than anything else, is helping every citizen to reconcile the competing pressures of work and family. Most parents work now. Most parents with children under the age of 5, or 4, or 3, or 2 work now. And most of them have to do that.

That's why I supported the family and medical leave law and why I'd like to see it extended to cover more firms. All the research shows that small firms have had just as easy a time as larger firms in meeting the family and medical leave law. And giving people a little time off when their babies are born or their parents are sick bolsters the morale of families and makes people more productive in the workplace. I think it's important.

That's why I think we ought to raise the minimum wage again. Finally—finally—we are seeing income gains among people in the lower 40 percent of the earners. For 20 years, our incomes began to split apart in America, from about the mid-seventies on. Those of us with good educations tended to have our incomes grow more than the economy as a whole, and people who didn't have as much tended to have their incomes not grow at all or even fall behind. Inflation—that's beginning to turn around again.

But no one who works 40 hours a week and raises kids should be in poverty in this country. We shouldn't tax them into poverty. And one of the things we did in 1993 that David mentioned was with the earned-income tax credit. The average family now with an income of \$30,000 a year or less that has at least two children is paying \$1,000 less in taxes than they would have paid under the

old system before 1993. I think that's important.

I think it's important that we implement this child health program to extend health insurance to 5 million more kids. There's nothing more—every parent in this room has known what it is like to worry about your child's health. There's not a single, solitary parent here who hasn't had at least one sleepless night at some time during your children's childhood over your child's health. Imagine how much worse it would be if you didn't think you could afford to take your kid to the doctor or if you thought the only way you could do it would be to show up at the emergency room and then you would be bankrupt. So I think this is important. I think it is terribly important.

I think it's important that our child care initiative pass, which will make child care more affordable to millions of Americans—and safer. And I think that it's important that we pass this comprehensive tobacco settlement that will give us the tools we need to protect our children from tobacco. Every year—still the biggest public health problem in America—every day, 3,000 kids illegally start to smoke; a thousand of them will die sooner because of it. It dwarfs the threat of cancer. It dwarfs the threat of alcoholism. It dwarfs the threat of getting killed in a car when you get your driver's license. It dwarfs everything. It will cost more young people bigger parts of their future than anything else. So we're going to try to pass that this year. And if we do, it will open up a whole new vista. That's very important.

Now, the other thing I want to talk about a little on this is the future of health care. Hillary had an idea that we should basically give a gift to the country, that our generation should give a set of gifts to the country for the millennium. And we thought basically of two things. One was that—literally a millennial trust, which she helped to put together with all the rest of our people with the theme of remembering the past and imagining the future. And so one of the things that we're trying to do is to put some of the money, if we can get a tobacco settlement, put a big chunk of the money into a research fund that will double funding for the National Cancer Institute, have a huge increase in funding for

the National Institutes of Health, have a big increase in funding for the National Science Foundation, support the international space station, just do a whole range of things that will help to prepare the future for our people.

In addition, we want to, with public and private money, save the Star-Spangled Banner, which, by the way, is in tatters and needs \$13 million to be saved. And our precious documents, all of which—the Bill of Rights, the Declaration of Independence, and the Constitution—all of them need serious work. That's a very important part of building the kind of society we want. We have to both respect our past and always be investing in the future.

The second biggest thing we can do, I think—and this leads to the last topic I wanted to mention. I've done everything I could in a world which is constantly being torn apart by people's differences to build one community in America. I have tried to take the venom out of political life, with mixed results. [Laughter] I have done my best to bring people together across racial and religious lines.

And I've also tried to bring us together across generational lines. And the most important proposal that we have on the table for this year is the proposal that we couldn't even have imagined even a year ago. It looks like we're going to balance the budget this year if the economic difficulties of Asia don't slow our growth too much. If it does, we'll still balance the budget next year. And it is then projected that we will have a structural surplus for quite a long time. That is, the economy will go up and down, and some years we may have it, and some years we may not. But over any multi-year period, if we stay with the discipline we have now we're going to start running big surpluses.

And this is an election year so it's tempting for people to say, "Well, here's what I'll promise you with my surplus, I'll give you a tax cut," or "I'll give you a spending program" or whatever. I think it is a terrible mistake. I don't think we should spend a penny of the surplus until we have secured Social Security for the 21st century.

And everybody knows—there are surveys which show that young people believe it is more likely that they will see a UFO than

that they'll ever draw Social Security. [Laughter] But it's not a big, mysterious problem. When Social Security was set up, you couldn't draw until you were 65, and the average life expectancy was less than 65. Now the average life expectancy for Americans is way up in the seventies. For a young girl born today, it's about 80. And for people who live to be 65, it's into the eighties today. The fastest growing group of Americans are in their eighties.

Meanwhile, the baby boomers, and I'm the oldest of the baby boomers, meaning when I retire, from that year, for 18 years after when people my age retire, will be the biggest group of retirees ever put into the system. The people coming along behind us in the 18 years thereafter are a much smaller group. The people behind them are a smaller group. Only now do we have people in school, in kindergarten through the 12th grade, that are a bigger group than the baby boomers for the first time ever. But it's going to take a while before all of them are in the work force. So this is arithmetic. In 1959 there were five people working for every one person drawing Social Security. In 2019 or 2029, there will be two people working for every person drawing Social Security unless we all start working a lot longer or there's a huge influx of immigrants or something unforeseen happens.

But if we make small changes now, and if we husband our money now, and if we look at some options for what we can do to make sure we're getting the best possible rate of return as long as it's a secure and safe return, then we can look at people like the people who have served us here tonight who are going to work their whole lives and say, "You may be young, but at least you'll have this basic thing for security when you retire."

The other thing we have to do, though, is to level with people. People retiring now—almost nobody retiring now—can maintain their standard of living on Social Security. So we also have to do more to help people save for their own retirement and to be honest with them and level with them and say, "You're going to have to do this, but here is an attractive way to do it," and make it as easy as possible. I think that's very, very important. We should save Social Security

before we go about spending this surplus that hasn't even materialized yet. We were in a financial wilderness for 30 years; we're out of it. Let's not get back in it just because it's election year.

And the last point I would like to make is this: The United States has an unbelievable opportunity to sort of sail against the tide of all the ethnic and racial and religious conflict that seems to be dominating the world now, as the cold war recedes to a distant memory and the world is not divided into big blocs. You know that people used to worry about—little countries used to worry about being treated like little specks of metal. And the United States and the Soviet Union were the big magnet, and they were all going to be swallowed up into some bloc. Now we have to worry about disintegration. You know, everybody wants to be separate.

What we have worked for here in this country always, with increasing levels of success, is a way of appreciating the differences between people and still being united because we were able to articulate values that were more important to us than the differences. So we could celebrate our differences because we all knew we were still Americans.

Now that's become more important than ever before. There are—in the school district which is across the river from the White House in Virginia, in Alexandria—Fairfax County school district—there are people from 180 different national and ethnic groups speaking over 100 different languages, in one school district.

The world is coming into America. If we can figure out a way to continue to strengthen our Union, to be one America, to celebrate all these differences and say, but here are the things that we all agree to—read our Constitution, read our Bill of Rights—this is what we all agree to, then we are going to have an enormous leg up in the global society of the 21st century.

How much time have we spent around here at the table tonight talking about the Middle East or the travails of my people in Ireland and other places around the world? But I'm telling you, we're on the right side of history, and we have to keep fighting for these things.

Just today we had the new leader of the Republic of Srpska, the new premier, in Washington. And here's a man leading the Serbs saying, "We have to find a way to reconcile the different ethnic groups. We have to come to grips with the war crimes. We have to do all these things." Unheard of—no one could have imagined it just a year ago. We are on the right side of history, and we have to keep fighting for these things.

And the last point I want to make is this: I have tried to change the Democratic Party, to modernize it. I have tried to create what you might call a new Democratic Party. And I have caused a little bit of controversy along the way in doing that. But I have to tell you that the longer I go on in this job and the more time I spend reading American history, as well as trying to think about the future, the more I realize that there are two or three basic functions that a political party has to fulfill at every point in our history.

If you go back through the whole of American history, I believe you will conclude, as I have, that there are three great challenges that confront the American people at every moment of real change. And the party which serves the American people best is the party which embraces those challenges and pushes them hardest.

Now, if you go back to the beginning, you look at that, you look at the Civil War, you look at the industrial revolution, you look at all the crises of the 20th century, you will see that at every point in time we have been asked for ourselves—and increasingly in the 20th century for people around the world—to do three things: to widen the circle of opportunity, to deepen the meaning of freedom, and to strengthen the Union.

The Republican Party, in fairness, was born out of a desire to save the Union. And Abraham Lincoln gave his life to save the Union and to make the Constitution mean something when it came to freedom for black Americans. And they were the party of the Union and of widening the circle of opportunity and of deepening the meaning of freedom all the way from Abraham Lincoln through Theodore Roosevelt. And our party had a pretty weak record in that period, I'm ashamed to say, and not so good in the years just before.

But if you look at the beginning and if you look at our record from Woodrow Wilson forward, I think you would have to conclude, we weren't always right on everything, but on balance our party has the stronger record when it comes to widening the circle of opportunity, deepening the meaning of freedom, and standing up for a stronger Union.

And that, in a fundamental way, is what my administration has been all about—looking toward the 21st century. I'm proud to be a Democrat. I'm proud of your support. And I thank you for your help tonight.

God bless you.

NOTE: The President spoke at 8:57 p.m. at a private residence. In his remarks, he referred to dinner hosts David and Sylvia Steiner; Thomas P. Giblin, chairman, New Jersey State Democratic Committee; Mayor James E. McGreevey of Woodbridge, NJ; Steve Grossman, national chair, and Lenn Barrack, national finance chair, Democratic National Committee; and Prime Minister Milorad Dodik, Republic of Srpska, Bosnia-Herzegovina.

Remarks at the Holiday Senior Park Center in Wheaton, Maryland *February 20, 1998*

Thank you very much, Mr. Vice President. I want to thank all of you for being here today and particularly those of you who have been active in health care. I thank Secretary Shalala and Deputy Secretary Higgins and Secretary Herman, who worked very hard on this; and Hershel Gober, the Deputy Secretary of Veterans Affairs; and Janice Lachance and Nancy-Ann Min DeParle, all the people who are here from the administration. General Hill, thank you for being here.

I'd like to thank County Council President Leggett and all the local officials who are here. A special word of thanks to Chris Jennings in the White House. You know, the staff people who work on these things never get enough credit. This is great—the Vice President and I get up here, and we give these speeches, and you think how wise we are. *[Laughter]* And the truth is, there is always somebody making us look smarter than we are. *[Laughter]* And I'm very grateful to all the people who worked on this, who passionately care about you and people like you